G. R. S. IX-5]

Previous references.

1872
~~191~~.
(S-R)

SR File No. 5 9/1872

Serial Nos. 1

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1

Major ~~Part~~ B for May 1873.

SUBJECT.

Proposal to increase the rates of Still Head Duty

Involved.

Subbarao

W D 88—GPB—50,000—24-7-16

Revenue — Fo 36.

1873

From The Commissioner
Nandidrug Division.

To Secretary to Chief Commissioner,
General Department.

Dated. May 1873
Despatched. 4
Received. 5 [illegible]

Enclosures No. 3

No. 36

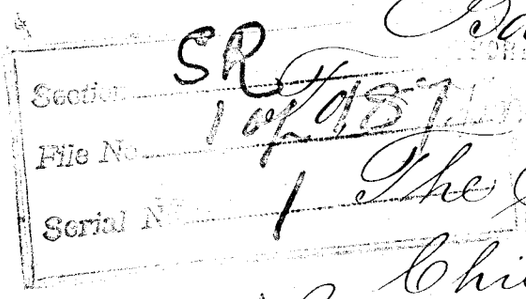
[illegible] on the proposed
[illegible] of rates of
[illegible] duty.

366

Vide Commr's [illegible]

No II 36

Mandidroog Division
Commissioner's Office.
Bangalore 26th May 1873.



The Secretary to the
Chief Commissioner of Mysore.

Sir,

With reference to your Circular No II 7229/65 of 15th March 1873 calling for an expression of opinion on the proposed increase of rates of still head duty, I have the honor to submit the following remarks for the Chief Commissioner's consideration.

2. I beg also to forward Copies of Letters from the several Deputy Commissioners whom I thought it expedient to consult on the advisability or otherwise of increasing the present rate of duty.

3. Since the introduction of the Sudder Distillery system, the rate of still head duty was raised twice in the Bangalore District and once in the Kolar District & the rate in the Tumkur District

has remained stationary. The duty levied in the Town and Cantonment of Bangalore is the highest in the Province.

4. The Kolar Dy: Commissioner considers it inadvisable to increase the rate on the ground that the wholesale Vendors will increase the price of Arrack which might act as a further inducement to the retail Vendors on the frontiers to carry on Smuggling which is still going on in the Kolar District. This District is bounded on al: most all sides by Her Majesty's Territories.

5. The Deputy Commissioner's remarks regarding the danger of Smuggling on the frontier, are worthy of consideration inasmuch as if the price of liquor be raised, then Smuggling may be encouraged from Her Majesty's Territories, where the Sudder Distillery system does not exist, and where liquor is moreover sold very cheap. Further, a rise in the price of liquor might

have the effect of inducing the border villagers to go across the frontier to drink their liquor.

6. The Deputy Commissioner Toonkoor District with reference to a query from this office, has replied to the effect that neither illicit distillation nor smuggling of liquor is carried on in his District.

7. On a reference to the letters to your address noted in the margin, it will be seen that Col. Pearse is of opinion that we must wait a little longer before increasing the existing rates.

No 81 of 8th August 1872
No 192 of 30th January 73.

8. I may state that there is the danger if the price is raised too high, that Arrack will become as dear as cheap adulterated Brandy, and any decided increase in the Consumption of Cheap Brandies will be so much loss to our Abkarry Revenue.

9. Looking at the present consumption of Liquor I am in-

clined to concur with the Deputy Commissioners in thinking that the present rates of Still head duty should not be increased, though Major Lindsay suggests that the rate in the Talooks of the Bangalore District be increased from Rs: 1.4.0 to Rs: 1.8.0 per gallon; but in which suggestion I disagree.

10. I base my recommendation apart from any consideration whether the profits of Distillers may not be such as to enable them to pay a higher rate of duty, and upon the practical test afforded by figures of the ratio of increase of consumption before and after the periods that the Still Head duty has been raised. If the tables of consumption shew that any particular addition of duty has not had the effect of diminishing the natural consumption and that thereafter such consumption steadily increases, then a moderate additional Still head duty may

be imposed; but where consump-
-tion is checked by the increase of
duty and takes some time to re-
-gain its former rate, then I sub-
-mit an additional rate of duty
is inadvisable. Judging by this
standard, also remembering as re-
-gards the Cantonment and Pété
the danger from competition of
French and other brandies, I hardly
think any general increase of the
rates of still head duty is advis-
-able at present.

II. The Consumption Statistics
from the Town and Cantonment
shew that the increase in June
1865 from Rs: 2¼ to Rs: 2¾ per gallon
resulted in a marked decrease in
consumption and an injurious
falling off of the Revenue for 2 or
3 years afterwards. It is true that
during the last two years the figures
have gone up again, but not to
any marked extent over which
may not be accounted for by
the growing size of Bangalore.

As

As regards the District of Bangalore, the present Consumption stands at the same figure it did 8 years ago, an increase in this District would therefore appear to be inadvisable.

In the case of the Kolar District, the Consumption at present is even less than it was in 1864.65. The present rate of still head duty is Rs. 1/- per Gallon in the case of the Toomkoor District, and looking at the very limited Consumption in that District, I doubt the expediency of increasing that rate even by 4 Annas.

12. With reference to para 5 of the Kolar Deputy Commissioner's letter deprecating the present practice of selling the retail licences for Arrack Shops at large places by public Auction, I beg to state that I am opposed to the practice of selling such licences by competition, and I would recommend in the case of large towns the same practice as now prevails in the Bangalore

Cantonment and Pete 86

13. A statement is appended shewing the yearly sales of Arrac since the introduction of the Sudder Distillery system.

14. With reference to para 2 of your circular under reply, instructions have been issued to the Deputy Commissioners for the general adoption of 19° under proof of Sykes's Hydrometer as the fixed Standard Strength at which Spirits are to be issued from the Distilleries.

15. As noted in the margin 12 Sykes's Standard Hydrometers with weights and Books of tables complete, are required for the use of this Division.

× Bangalore 2. Kolar. — 4. Tumkum 2. Reserve at 50 per cent 4. — 12

16. I am also inclined to recommend that each District Officer be supplied with one for occasional testing of liquor, when he is out in the interior of the Dis.

I have the honor to be Sir,
Your most obt. Servant.

Deputy Commissioners Office.
Bangalore. 2nd May 1873.
No.

The Commissioner
Nandidroog Division.

Sir,

With reference to your Circular No. 6 dated 4th Instant, I have the honor to forward the undermentioned Statements for your information:—

1. Statement exhibiting the quantity of Arack issued for Sale from the Bangalore Sudder Distillery.
2. Ditto from the Chennapatam Sudder Distillery.
3. Ditto as regards Arack issued to other Districts from the Bangalore Sudder Distillery.

II. The Distillery at Chennapatam was abolished in the year 1867-68.

III. The original still head duty in the Cantonment and Town of Bangalore was Rupees 2 per gallon of Arack. This rate was twice raised, first to Rupees 2. 4. 0. on the 1st August 1864, and then to Rupees 2. 12. 0 on the 15th June last.

IV. The still head duty on Arack consumed in the District was also twice raised. It was originally one Rupee per gallon. On the 15th June 1865 it was raised to Re 1. 4. 0 and on the 26th May 1871 to Rupees 1. 8. 0 per gallon.

V. As the duty levied on Arack in the Town and Cantonment of Bangalore is the highest in the Province, I am not inclined to recommend any further increase

and there is the danger if the price is raised too high that it will become as dear as

II. From the first mentiond Statement it will be observed that the consumption of the liquor in the District has been reduced since the increase of duty to Rupees 1. 8. 0 which was effected in consequence of certain remarks made by the Chief Commissioner on the Administration Report of the District for 1870-71. The reduction in the consumption has not however affected the realizations which have on the contrary increased.

VII. In my opinion the still head duty on arack consumed in the District may be safely raised to Rupees 1. 12. 0 per gallon, without leading to the temptation of illicit distilling or smuggling &c. I would not recommend a higher duty consid-ering that the Distillers have to meet contingent expenses such as cart hire &c.

I have &c.

(Signed) Alex Lindsay.
Offg. Deputy Commissioner.
Bangalore District.

No. 38.

Bangalore District.
Deputy Commissioner's Office.
Bangalore 18th April 1873.

To,
The Commissioner
Mysore Division.

Sir,

I have the honor, in reply to your Circular No. 6 of the 4th Instant, on the subject of the pro-

that in my opinion the statistics available of the results of the Sudder Distillery system since its introduction, are not favorable to any addition to the existing duty. The consumption of the liquor has not been such as would prevent the increase causing an undesirable reaction on the Abkarry revenue. I have carefully examined the transactions of one Taluk for one year, and the net profits of the retail vendors are by no means encouraging. One inevitable result of additional taxation would be to drive the vendors to unlimited adulteration which would be a very unpleasant consummation. It appears to me therefore that the time has not yet arrived for raising the duty on arack.

2. Referring to para 2 of your Circular under reply, I beg to state that since the introduction of the existing system, before which arack was a Government farm let out annually on contract, there has been no change in the rate of the still head duty, the same duty of one Rupee a gallon being levied up to date.

3. The Statement called for is submitted in the prescribed form.

I have &c.

(Signed) N. Narasimmiengar

Offg: Deputy Commissioner.

"Copy"

Ricketts

Offg: Commissioner. N.D.

No. 112/40

The Commissioner's Office
Kolar district
Kolar, 18th April 1873

To,

The Commissioner
Sandidroog Division

Sir,

In reply to your circular letter No. 6 of the 4th Instant, I have the honor to submit the accompanying Statement showing the yearly sales of Arrack since the introduction of the Saddir Distillery System, that is, from 1st May 1864.—

2.— The Still Head duty was originally fixed at one Rupee per Gallon with a remission of three per cent for wastage. This rate was in existence till the 10th June 1865, when the duty was increased to Rupee 1—4—0 per Gallon, which is still in force, with no allowance for wastage.—

3.— It will be observed from the abstract Statement as per margin, that the Abakari Revenue of the district was on the increase for the first two years, (1864/65 and 1865/66)

after the introduction of the Ladder distillery system, and that there has been a falling off from 1866/67 to 1869/70 and again a marked increase during the last three years. I attribute the decline of revenue from 1866/67 to 1869/70, 1st to the drought and famine which we experienced in 1866/67, and secondly to the discontinuance of the practice of sending liquor from the Gudiliumdah distillery of this district to Devanahully and other places in the Bangalore district 4.— I do not consider it advisable to increase the rate any more in this district, because the distillers who are also the wholesale vendors will of course increase the price of arrack, and this might act as a further inducement to the retail

Quantity of Rectified Arrack. Amount of the Excise duty thereon. Amount of Still Head duty collected.

Years	Gallons	Bottles	Rs.	As.	Ps.	Rs.	As.	Ps.
1864-65	22,881	5	7	1	"	22,222	4	1
1865-66	25713	3	3			30,201	7	2
1866-67	13131	1	1			16,414	2	3
1867-68	15,300	2	4			19,125	8	4
1868-69	11117	2	6	1	4	13,934	5	2
1869-70	15,501	5	6			19,387	8	2
1870-71	18,575	1	4			23,144	1	"
1871-72	20,046	"	3			25,057	7	3
1872-73.	21658	"	6			27072	10	6

Vendors on the frontiers to carry on smuggling which notwithstanding the efforts made to put it down, is still carried on in this district, bounded as it is, almost on all sides by Her Majesty's Territories where there is no Ladder Distillery System in existence.—

5.— In connection with this subject I beg to bring to your notice the advisability of doing away with the present practice of selling the Retail Licenses for arrack Shops at large places by public auction and extending to these shops also, the order of the Chief Commissioner as conveyed in Secretary's letter No. $\frac{805}{R.10}$ of the 16th May 1870 to the addresses of the Commissioner — Nagapatam division under which licenses have been given for village Shops for fixed sums during the past year. The System of putting up these shops to public auction, has actually ruined many people. During the last year the highest bid for a shop per month in the

towns of this District noted in the margin[×] was Rs. 41/- and the lowest Rupees 13/-. But this year the highest is Rs. 56/- and the lowest Rs. 11. The co highest rates have been bid for co principally in the towns of Mulba-gal and Chickaballapur, but the bidders having failed to make the required deposit, and pleaded inability to do so, I was obliged to order a resale of these shops. It is impossible for the vendors to make any profit after paying such high rates and their object in bidding at such high rates is simply to oust the present vendors from feeling of animosity and the result is that they bring down ruination upon themselves and their securities, whose property has to be sold to meet the Government demand. —

× Kolar Siddaghatta Malur Mooldagal Chintamoney Bowringpet Chotaballapur

6. — The system of selling the shops by Public auction in villages was carried on till 1871-72, when on the authority of the Chief Commissioner's order quoted in the preceding para, it-

this Change shows only a decrease of Rupees 921-10-0 during the past year as compared with 1871-72, but I hope that, by revising the rates which I am at present doing, the amount will come up.—

7.— I am aware that the proposed change with regard to the Town Shops may cause some loss in the revenue, but it will save people from peination. In a large Town like Bangalore, I believe the rate is only 5 Rupees per mensem, and I think that this rate may be fixed for the Towns of Kolar, Bowringpet, Mulabagalu, Malur, and Chikaballapura, while 12 Rupees may be fixed for the Towns of Siddaghatta and Chintamony.

I have &c.

(Sd) B. Krishnaiyar
D.C. Commissioner
Kolar District

(Copy)

Statement shewing the Quantity of arrack sold from Sudder Distilleries and the am
Still Head duty realized since the introduction of the Sudder Distillery System.

District	Year	Issued to Vendors. Quantity Gallons	Bottles	Drams	Rate R	A	P	Amount of Still Head Duty. Rs:	A.	P.	The month in which the rates were c
Town & Cantonment Bangalore.	1864.65	77147	4	2	2	4	.	1,68,958	15	.	The rate was increas from 2 6 2/4 Rs: on the 1st Aug
	1865.66	73,694	3	4/4	2	12	.	1,96,726	3	2	Do. from 2/4 6 2 3/4 Rs: on the 15th Ju
	66.67	57,164	4	.	2	12	.	1,57,147	13	4	
	67.68	62,748	1	2	2	12	.	1,72,557	9	2	
	68.69	66,778	5	1	2	12	.	1,83,641	13	7	
	69.70	71,047	1	1	2	12	.	1,95,379	12	3	
	70.71	77,148	5	.	2	12	.	2,12,159	4	8	
	71.72	83,344	5	4	2	12	.	2,29,198	8	4	
	72.73	85,099	3	.	2	12	.	2,34,023	10	.	
	Total	6,54,154	2	6/4	.	.	.	17,49,793	9	6	
Bangalore.	1864.65	39,288	3	6/4	1	.	.	39,288	10	1	
	65.66	39,110	2	5/2	1	4	.	47,130	1	4	The rate was increased from 1 6 1/4 Rs: on 15th June 1865
	66.67	30,417	3	4	1	4	.	37,521	15	8	* Out of this quantity 800 Gallons were sold at 10 annas
	67.68	34,315	3	5	1	4	.	42,894	8	5	
	68.69	33,310	3	3	1	4	.	41,638	8	3	
	69.70	37,968	1	4	1	4	.	47,460	5	.	
	70.71	45,190	4	3	1	4	.	56,488	6	7	
	71.72	40,061	4	7	1	8	.	58,202	1	.	The still Head duty was raised from Rs: 1.4.0 to Rs: 1.8.0 o
	72.73	39,884	3	6	1	8	.	59,826	15	.	
	Total	3,39,548	1	33/4	.	.	.	4,30,451	7	4	
Kolar.	1864.65	22882	"	.	1	.	.	22,222	8	5	wastage of 3 per cent has been deducted.
	65.66	25,113	3	3	1	4	.	30,201	7	2	The duty was raised from Rs: 1/. 6 1/4 on the 11th June 1865.
	66.67	13,131	1	7	1	4	.	16,414	2	3	
	67.68	15,300	2	4	1	4	.	19,125	8	4	
	68.69	11,147	2	6	1	4	.	13,934	5	2	
	69.70	15,504	5	6	1	4	.	19,381	3	2	
	70.71	18,515	1	4	1	4	.	23,143	12	5	
	71.72	20,046	.	3	1	4	.	25057	9	3	
	72.73	21,658	.	6	1	4	.	27,072	10	6	
	Total	1,63,299	.	7	.	.	.	1,96,553	2	8	
Hoskote.	1864.65	4476	3	5	1	.	.	4,476	9	8	
	65.66	5357	2	2/2	1	.	.	5357	6	2	
	66.67	4734	3	.	1	.	.	4734	8	.	
	67.68	4007	.	.	1	.	.	4007	.	.	
	68.69	5490	.	.	1	.	.	5490	.	.	
	69.70	5824	.	.	1	.	.	5824	.	.	
	70.71	6330	3	.	1	.	.	6330	8	.	
	71.72	6464	.	.	1	.	.	6464	.	.	
	72.73	6126	3	.	1	.	.	6126	8	.	
	Total	48,810	2	7/2	.	.	.	48,810	7	10	

Sudder Distillery
Commissioner's Office
Bangalore May 26
1873.

Sketts
Offg Commissioner